

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF KINGS

-----X
LUCIENNE LOMBARD,

Plaintiff,

-against-

FARHOOD YACOOB, NADIA YACOOB, et all,

Defendant.
-----X

Index No. 05-36016

VERIFIED ANSWER OF
DEFENDANT HSBC
BANK USA, N.A. TO
PLAINTIFF'S THIRD
VERIFIED AMENDED
COMPLAINT

Defendant, HSBC Bank USA, N.A., As Trustee for The Registered Holders of Ace Securities Corp. Home Equity Loan Trust, Series 2005-HE3, Asset Backed Pass-Through Certificates ("HSBC"), by and through its attorneys, Balfe & Holland, PC, as and for its Answer to the Third Verified Amended Complaint (the "Complaint"), alleges:

1. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 1 of the Complaint.
2. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 2 of the Complaint.
3. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 3 of the Complaint.
4. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 4 of the Complaint.

5. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 5 of the Complaint.
6. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 6 of the Complaint.
7. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 7 of the Complaint.
8. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 8 of the Complaint.
9. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 9 of the Complaint.
10. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 10 of the Complaint.
11. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 11 of the Complaint.
12. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 12 of the Complaint.
13. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 13 of the Complaint.
14. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 14 of the Complaint.

15. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 15 of the Complaint.

16. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 16 of the Complaint.

17. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 17 of the Complaint.

18. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 18 of the Complaint.

19. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 19 of the Complaint.

20. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 20 of the Complaint.

21. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 21 of the Complaint.

22. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 22 of the Complaint.

23. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 23 of the Complaint.

24. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 24 of the Complaint.

25. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 25 of the Complaint.

26. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 26 of the Complaint.

27. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 27 of the Complaint.

28. Admits paragraph 28 of the Complaint.

29. Admits paragraph 29 of the Complaint.

30. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 30 of the Complaint.

31. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 31 of the Complaint.

32. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 32 of the Complaint.

33. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 33 of the Complaint.

34. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 34 of the Complaint.

35. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 35 of the Complaint.

36. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 36 of the Complaint.

37. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 37 of the Complaint.

38. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 38 of the Complaint.

39. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 39 of the Complaint.

40. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 40 of the Complaint.

41. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 41 of the Complaint.

42. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 42 of the Complaint.

43. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 43 of the Complaint.

44. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 44 of the Complaint.

45. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 45 of the Complaint.

46. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 46 of the Complaint.

47. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 47 of the Complaint.

48. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 48 of the Complaint.

49. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 49 of the Complaint.

50. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 50 of the Complaint.

51. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 51 of the Complaint.

52. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 52 of the Complaint.

53. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 53 of the Complaint.

54. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 54 of the Complaint.

55. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 55 of the Complaint.

56. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 56 of the Complaint.

57. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 57 of the Complaint.

58. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 58 of the Complaint.

59. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 59 of the Complaint, except admits that Decision 2000 Real Estate Services acted as agent for Chicago Title.

60. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 60 of the Complaint, except denies each and every allegation as against Chicago Title.

61. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 61 of the Complaint.

AS AND FOR A RESPONSE TO THE FIRST CAUSE OF ACTION

62. Answering paragraph 62 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

63. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 63 of the Complaint.

64. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 64 of the Complaint.

65. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 65 of the Complaint.

66. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 66 of the Complaint.

67. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 67 of the Complaint.

68. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 68 of the Complaint.

69. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 69 of the Complaint.

70. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 70 of the Complaint.

71. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 71 of the Complaint.

72. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 72 of the Complaint.

73. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 73 of the Complaint.

74. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 74 of the Complaint.

75. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 75 of the Complaint.

76. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 76 of the Complaint.

AS AND FOR A RESPONSE TO THE SECOND CAUSE OF ACTION

77. Answering paragraph 77 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

78. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 78 of the Complaint.

79. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 79 of the Complaint.

80. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 80 of the Complaint.

81. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 81 of the Complaint.

82. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 82 of the Complaint.

83. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 83 of the Complaint.

84. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 84 of the Complaint.

85. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 85 of the Complaint.

AS AND FOR A RESPONSE TO THE THIRD CAUSE OF ACTION

86. Answering paragraph 86 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

87. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 87 of the Complaint.

88. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 88 of the Complaint.

89. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 89 of the Complaint.

90. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 90 of the Complaint.

91. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 91 of the Complaint.

92. Defendant HSBC denies the allegations contained in paragraph 92 of the Complaint and avers that it is the holder of a mortgage in the principal amount of \$450,000 which constitutes a lien on the subject premises.

93. Denies paragraph 93 of the Complaint.

AS AND FOR A RESPONSE TO THE FOURTH CAUSE OF ACTION

94. Answering paragraph 94 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

95. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 95 of the Complaint.

96. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 96 of the Complaint.

97. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 97 of the Complaint.

98. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 98 of the Complaint.

AS AND FOR A RESPONSE TO THE FIFTH CAUSE OF ACTION

99. Answering paragraph 99 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

100. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 100 of the Complaint.

101. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 101 of the Complaint.

102. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 102 of the Complaint.

103. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 103 of the Complaint.

AS AND FOR A RESPONSE TO THE SIXTH CAUSE OF ACTION

104. Answering paragraph 104 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

105. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 105 of the Complaint.

106. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 106 of the Complaint.

107. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 107 of the Complaint.

108. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 108 of the Complaint.

109. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 109 of the Complaint.

AS AND FOR A RESPONSE TO THE SEVENTH CAUSE OF ACTION

110. Answering paragraph 110 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

111. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 111 of the Complaint.

112. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 112 of the Complaint.

113. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 113 of the Complaint.

114. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 114 of the Complaint.

115. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 115 of the Complaint.

116. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 116 of the Complaint.

117. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 117 of the Complaint.

118. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 118 of the Complaint.

119. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 119 of the Complaint.

120. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 120 of the Complaint.

121. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 121 of the Complaint.

AS AND FOR A RESPONSE TO THE EIGHTH CAUSE OF ACTION

122. Answering paragraph 122 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

123. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 123 of the Complaint.

124. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 124 of the Complaint.

125. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 125 of the Complaint.

126. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 126 of the Complaint.

127. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 127 of the Complaint.

AS AND FOR A RESPONSE TO THE NINTH CAUSE OF ACTION

This cause of action was dismissed pursuant to Order of this Court dated September 12, 2006.

AS AND FOR A RESPONSE TO THE TENTH CAUSE OF ACTION

128. Answering paragraph 128 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

129. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 129 of the Complaint.

130. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 130 of the Complaint.

131. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 131 of the Complaint.

132. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 132 of the Complaint.

133. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 133 of the Complaint.

134. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 134 of the Complaint.

135. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 135 of the Complaint.

AS AND FOR A RESPONSE TO THE ELEVENTH CAUSE OF ACTION

136. Answering paragraph 136 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

137. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 137 of the Complaint.

138. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 138 of the Complaint.

139. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 139 of the Complaint.

140. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 140 of the Complaint.

AS AND FOR A RESPONSE TO THE TWELFTH CAUSE OF ACTION

141. Answering paragraph 141 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

142. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 142 of the Complaint.

143. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 143 of the Complaint.

144. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 144 of the Complaint.

145. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 145 of the Complaint.

146. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 146 of the Complaint.

AS AND FOR A RESPONSE TO THE THIRTEENTH CAUSE OF ACTION

147. Answering paragraph 147 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

148. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 148 of the Complaint.

149. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 149 of the Complaint.

150. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 150 of the Complaint.

AS AND FOR A RESPONSE TO THE FOURTEENTH CAUSE OF ACTION

151. Answering paragraph 151 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

152. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 152 of the Complaint except denies the allegations as they relate to HSBC.

153. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 153 of the Complaint except denies the allegations as they relate to HSBC.

154. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 154 of the Complaint except denies the allegations as they relate to HSBC.

AS AND FOR A RESPONSE TO THE FIFTEENTH CAUSE OF ACTION

155. Answering paragraph 155 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

156. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 156 of the Complaint.

157. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 157 of the Complaint.

AS AND FOR A RESPONSE TO THE SIXTEENTH CAUSE OF ACTION

158. Answering paragraph 158 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

159. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 159 of the Complaint.

160. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 160 of the Complaint.

AS AND FOR A RESPONSE TO THE SEVENTEENTH CAUSE OF ACTION

161. Answering paragraph 161 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

162. Denies the allegations in paragraph 162 of the Complaint.

163. Denies the allegations in paragraph 163 of the Complaint.

164. Denies the allegations in paragraph 164 of the Complaint.

AS AND FOR A RESPONSE TO THE EIGHTEENTH CAUSE OF ACTION

165. Answering paragraph 165 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

166. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 166 of the Complaint.

167. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 167 of the Complaint.

168. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 168 of the Complaint.

AS AND FOR A RESPONSE TO THE NINETEENTH CAUSE OF ACTION

169. Answering paragraph 169 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

170. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 170 of the Complaint.

171. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 171 of the Complaint.

172. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 172 of the Complaint.

173. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 173 of the Complaint.

174. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 174 of the Complaint.

175. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 175 of the Complaint.

176. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 176 of the Complaint.

177. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 177 of the Complaint.

178. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 178 of the Complaint.

179. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 179 of the Complaint.

180. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 180 of the Complaint.

181. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 181 of the Complaint.

182. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 182 of the Complaint.

183. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 183 of the Complaint.

184. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 184 of the Complaint.

185. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 185 of the Complaint.

186. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 186 of the Complaint.

187. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 187 of the Complaint.

188. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 188 of the Complaint.

189. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 189 of the Complaint.

190. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 190 of the Complaint.

191. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 191 of the Complaint.

192. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 192 of the Complaint.

193. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 193 of the Complaint.

194. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 194 of the Complaint.

195. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 195 of the Complaint.

196. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 196 of the Complaint.

197. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 197 of the Complaint.

198. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 198 of the Complaint.

199. Denies paragraph 199 of the Complaint.

200. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 200 of the Complaint.

201. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 201 of the Complaint.

202. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 202 of the Complaint.

AS AND FOR A RESPONSE TO THE TWENTIETH CAUSE OF ACTION

203. Answering paragraph 203 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

204. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 204 of the Complaint.

205. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 205 of the Complaint.

206. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 206 of the Complaint.

207. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 207 of the Complaint.

208. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 208 of the Complaint.

209. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 209 of the Complaint.

210. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 210 of the Complaint.

211. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 211 of the Complaint.

212. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 212 of the Complaint.

213. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 213 of the Complaint.

214. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 214 of the Complaint.

215. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 215 of the Complaint.

216. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 216 of the Complaint.

217. Denies paragraph 217 of the Complaint.

AS AND FOR A RESPONSE TO THE TWENTY-FIRST CAUSE OF ACTION

218. Answering paragraph 218 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

219. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 219 of the Complaint.

220. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 220 of the Complaint.

221. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 221 of the Complaint.

AS AND FOR A RESPONSE TO THE TWENTY-SECOND CAUSE OF ACTION

222. Answering paragraph 222 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

223. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 223 of the Complaint.

224. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 224 of the Complaint.

225. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 225 of the Complaint.

226. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 226 of the Complaint.

227. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 227 of the Complaint.

228. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 228 of the Complaint.

229. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 229 of the Complaint.

230. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 230 of the Complaint.

231. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 231 of the Complaint.

AS AND FOR A RESPONSE TO THE TWENTY-THIRD CAUSE OF ACTION

232. Answering paragraph 232 of the Complaint, HSBC repeats and realleges each and every allegation set forth in the preceding paragraphs of this Answer.

233. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 233 of the Complaint.

**AS AND FOR A CROSS-CLAIM AGAINST DEFENDANTS
FARHAAD YACOOB, NADIA YACOOB, GUARANTEED HOME
MORTGAGE COMPANY INC., BENJAMIN JACOB TURNER,
ATARA HIRSCH-TWERSKY, JONATHAN J. MASON-KINSEY,
AUGUSTA UWECHUE, SPAULDING PROPERTIES, INC.,
BERKSHIRE FINANCIAL GROUP, INC. FIRST NATIONAL
BANK OF NEVADA, and RESIDENTIAL FUNDING CORPORATION**

234. That if the Plaintiff recovers herein, it will be by virtue of the recklessness and negligence, wrongful conduct, breach of duty, breach of contract or statutory obligation of the defendants Farhaad Yacoob, Nadia Yacoob, Guaranteed Home Mortgage Company Inc., Benjamin Jacob Turner, Atara Hirsch-Twersky, Jonathan J. Mason-Kinsey, Augusta Uwechue, Spaulding Properties, Inc., and Berkshire Financial Group, Inc., First National Bank of Nevada

and Residential Funding Corporation and not of the defendant, HSBC and that this answering defendant demands judgment for contribution and/or indemnification and that the respective degrees of culpable conduct of the defendants Farhaad Yacoob, Nadia Yacoob, Guaranteed Home Mortgage Company Inc., Benjamin Jacob Turner, Atara Hirsch-Twersky, Jonathan J. Mason-Kinsey, Augusta Uwechue, Spaulding Properties, Inc., and Berkshire Financial Group, Inc., First National Bank of Nevada and Residential Funding Corporation be ascertained, determined and adjudicated and that the defendant, HSBC have judgment over and against the above named defendants as to the proportionate share commensurate with the respective degrees of culpable conduct as will be decided upon at the trial herein.

FIRST AFFIRMATIVE DEFENSE

235. Plaintiff's damages, if any, resulted from the intervening acts of third parties not subject to the control or direction of this answering defendant.

SECOND AFFIRMATIVE DEFENSE

236. The documentary evidence precludes Plaintiff's recovery of damages.

THIRD AFFIRMATIVE DEFENSE

237. Plaintiff has failed to join all necessary parties pursuant to CPLR §1001.

FOURTH AFFIRMATIVE DEFENSE

238. The damages allegedly sustained by Plaintiff were not proximately caused by any negligence or culpable conduct on the part of HSBC.

FIFTH AFFIRMATIVE DEFENSE

239. The liability of HSBC, if any, must be limited by the provisions of CPLR Article
16.

SIXTH AFFIRMATIVE DEFENSE

240. Plaintiff has failed to mitigate her losses, if any. Accordingly, Plaintiff is barred
in whole or in part from any recovery.

SEVENTH AFFIRMATIVE DEFENSE

241. That whatever damages may have been sustained by the Plaintiff as alleged in the
Complaint, were in whole or in part the result of Plaintiff's assumption of risk in realizing and
knowing the hazard and dangers thereof, and that Plaintiff assumed all the risks necessarily
incidental to such undertaking.

EIGHTH AFFIRMATIVE DEFENSE

242. That whatever damages may have been sustained by Plaintiff as alleged in the
Complaint were in whole or in part the result of the negligence or culpable conduct of the
Plaintiff herein.

NINTH AFFIRMATIVE DEFENSE

243. Plaintiff failed to plead fraud in the detail required by CPLR §3016.

WHEREFORE, defendant HSBC demands entry of judgment:

- a. Dismissing the Second Verified Amended Complaint;

b. On the Cross-Claim, entering judgment over against defendants Farhaad Yacoob, Nadia Yacoob, Guaranteed Home Mortgage Company Inc., Benjamin Jacob Turner, Atara Hirsch-Twersky, Jonathan J. Mason-Kinsey, Augusta Uwechue, Spaulding Properties, Inc. and Berkshire Financial Group, Inc., First National Bank of Nevada and Residential Funding Corporation for the amount of any judgment obtained against this answering defendant by the plaintiff, or on the basis of apportionment of responsibility, in such amounts as a jury or court may direct, together with the costs and disbursements of this action; and

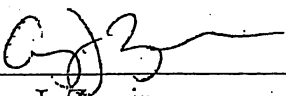
c. Awarding such other and further relief as the Court deems just and proper.

Dated: New York, New York
November 12, 2007

Yours, etc.

BALFE & HOLLAND, PC
Attorneys for HSBC Bank

By:


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Richmond Hill, NY 11419

Jonathan J. Mason-Kinsey
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Brooklyn, NY 11201

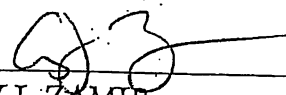
Augusta Uwechue
14211 222nd Street
Springfield Gardens, NY 11413

STATE OF NEW YORK)
) ss.:
COUNTY OF SUFFOLK)

AMY J. ZAMIR being duly sworn, deposes and says:

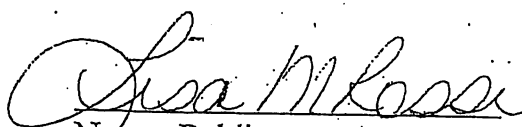
That deponent is the attorney for the Defendant HSBC Bank USA, N.A., As Trustee for The Registered Holders of Ace Securities Corp. Home Equity Loan Trust, Series 2005-HE3, Asset Backed Pass-Through Certificates ("HSBC") in the action within; that deponent has read the foregoing Verified Answer and knows the contents thereof; that the same is true to deponent's own knowledge except as to the matters therein stated to be alleged upon information and belief, and as to those matters deponent believes it to be true and the reason that this verification is not made by Defendant (HSBC), is that Defendant (HSBC) is not presently in the county where the attorneys for the Defendant (HSBC) have their office.

Deponent further says that the source of deponent's information and the grounds of deponent's belief as to all matters not stated upon deponent's knowledge are from investigations made on behalf of said Defendant (HSBC).



AMY J. ZAMIR

Sworn to before me this
13th day of November, 2007.



Notary Public

LISA M. ROSSI
Notary Public, State of New York
No. 5044475
Qualified in Suffolk County
Commission Expires May 30, 2011